



Commonwealth of Massachusetts

DEPARTMENT OF HOUSING & COMMUNITY DEVELOPMENT

Deval L. Patrick, Governor ♦ Aaron Gornstein, Undersecretary

CDBG One-Year Action Plan FY 2014 Proposed Changes

The Department of Housing and Community Development (DHCD) is contemplating changes to several aspects of the MA CDBG program for FY 2014.

After consideration of current and previously identified issues, the Department is currently considering the following specific changes (noted in strikethrough and in **red text**):

D. APPLICANT/PROJECT THRESHOLDS

7. Community-Based Planning Requirement –

All CDBG applicants will submit a Community Development Strategy to DHCD at least one month prior to the application due date. DHCD staff will evaluate the Strategy for adequacy consistent with items a, b and c as described below. If the review finds the Strategy to be adequate, it will be certified by DHCD for a period of three (3) years. Applicants will not be required to re-submit the Strategy during this period unless the community adopts changes to the Strategy.

For FY 2014 applications, DHCD will evaluate and certify for a period of two (2) years, all Community Development Strategies submitted during the FY 2013 application period if they satisfied the adequacy review. If a Strategy is found not to be adequate based on the review, DHCD will contact the community to make the necessary corrections.

~~DHCD will evaluate the submitted Community Development Strategy to determine its adequacy. The Strategy must be determined to be adequate or the application will be subject to special conditions regarding the CD strategy. DHCD will use the following four criteria to make this determination:~~

~~d. —~~ CDBG applications must document that a CD Strategy and its priority list were discussed at a separate public forum, meeting or hearing, held at least one (1) month prior to the submission of a CDBG application in order to allow for timely community input. Compliance with this requirement must be documented by copies of meeting announcements, attendance lists and minutes. Minutes must reflect that the CD Strategy and priority list have been presented and that discussion has occurred. **Please note that, while CD Strategies are valid for a period of three (3) years, the public forum is required annually.** This requirement will not apply to EDF.

E. ALLOCATION OF CDBG FUNDS TO THE COMMONWEALTH

The federal Fiscal Year 2014 HUD allocation to the Commonwealth of Massachusetts is anticipated to be **\$29,397,541**. DHCD's funds are subject to availability from the federal government, which is contingent on the federal budget and appropriations process and the HUD allocation process. In addition to the HUD allocation, DHCD expects to receive approximately \$100,000 in program income for a total of **\$29,497,541** available for FY 2014. These funds will be distributed during the program year to eligible cities and towns in accordance with the allocation among program components outlined in the following chart.

MA CDBG PROGRAM COMPONENT	FY 2014 ALLOCATION
Community Development Fund I	\$15,535,615
Community Development Fund II	\$ 2,700,000
Mini-Entitlement Program	\$ 8,100,000
Economic Development Fund (not including expected \$100,000 in program income)	\$ 1,600,000
-Section 108 Loan Guarantee*	\$ 10,000,000
Reserves	\$ 150,000
Section 108 Loan Repayments** (No. Adams, Everett)	\$ 330,000
Administration and Technical Assistance	\$ 981,926
TOTAL AVAILABLE (includes \$29,397,541 allocation plus \$100,000 in program income)	\$29,497,541
*Section 108 Loan Program allocation does not impact the FY 2014 Allocation	
**Section 108 Loan Repayments are budgeted but not necessarily required. This is an "up to" amount. Amounts not required for repayment to HUD will be reallocated to other components.	

F. AVAILABILITY OF CDBG PROGRAM FUNDS

Application Due Dates for CDBG FY 2014 Program:

Community Development Fund:	February 14, 2014
Mini-Entitlement Program:	February 14, 2014
Economic Development Fund:	Applications accepted on an ongoing basis

J. CDBG PROGRAM COMPONENTS

Grant Award Amounts – For FY 2014 maximum grant amounts for available categories are listed below.

Category - CDF I/CDF II	Minimum Grant from Competitive Round:	Maximum Grant from Competitive Round:
Planning- or Design-only grants	\$ 10,000	-----

1. COMMUNITY DEVELOPMENT FUND I (CDF I)

Program Description

Requirements:

2. CDF I communities may include CDF II communities as participating regional applicants. The percentage of funds assisting CDF II participants in a CDF I regional application may not exceed 35% of the total grant request.
3. An applicant is eligible to apply to Community Development Fund I if its FY 2013 Community-Wide Needs Score, rounded to the nearest integer, is 25 or greater on a scale of 35. Community Wide Needs Scores are available in Exhibit 3. Communities with a Community Wide Need score of 25 or 26 may choose to apply to either CDF I or CDF II, subject to the requirements of the two components. Communities can participate in only one fund for all applications. A community may not apply to separate funds in different applications. Communities with a CWN of 25 or 26 ~~in a regional application~~ must identify to which fund they are applying **at the time of application**.

2. COMMUNITY DEVELOPMENT FUND II (CDF II)

Program Description

Grant Award Amounts and Requirements:

CDF II communities may join with other CDF II communities for regional activities. A CDF II community may participate in a regional application submitted by a CDF I community. Communities with a CWN of 25 or 26 ~~in a regional application~~ must identify to which fund they are applying at the time of application.

3. MINI-ENTITLEMENT PROGRAM

DHCD expects to award up to \$8,100,000 from the FY 2014 Mini-Entitlement Program allocation to nine (9) designated Mini-Entitlement municipalities, listed below:

Chelsea
Everett
Gardner
Greenfield
North Adams

Southbridge
Wareham
Webster
West Springfield

~~DHCD recalculation of Mini-Entitlement scores may eliminate communities previously qualified for designation. In such cases, communities designated as Mini-Entitlement for the previous federal fiscal year will receive transitional assistance for the following federal fiscal year. For FY 2013, DHCD intends to provide the Town of Amherst with up to \$450,000 (or up to one half of the award amount received by continuing Mini-Entitlement communities, if grant amounts are reduced) in transitional, Mini-Entitlement funding.~~

4. ECONOMIC DEVELOPMENT FUND

The Economic Development Fund (EDF) provides assistance to communities focused on community economic development - supporting revitalization efforts that enhance the quality of life in the community, strengthening the local tax-base, and retaining and creating jobs for low and moderate-income people. EDF gives priority to assistance for revitalization of downtowns and commercial center areas. EDF will directly support rehabilitation of, or conversion to, mixed-use or investor owner (5 or more units) buildings located in downtown or commercial center areas. Residential projects should include mixed-income, affordable and market rate units. Commercial/retail units should demonstrate that likely occupants might create or retain local jobs. EDF will also assist public facilities/infrastructure improvements that support downtown mixed-use or investor owned, mixed-income residential projects. EDF will also continue to fund non-profit development organizations for business loan funds and training, and planning studies that lead to a project that has an economic development purpose.

~~(a) Community grants~~

~~The Economic Development Fund (EDF) offers assistance to communities focused on community economic development—retaining and creating jobs for low and moderate-income people, strengthening the local tax base, and supporting revitalization efforts that enhance the quality of life in the community. EDF gives priority to assistance for physical improvements in support of economic development and job creation/retention. Historically, EDF has funded a range of economic and community development projects. More recently, including in FY 2013, program funding is more limited and the following categories of projects will be considered, provided they can document an economic development purpose.~~

6. RESERVES

On occasion applications, or portions thereof, that were not funded during a competitive process, including direct technical assistance to eligible communities, may be considered by the Undersecretary of DHCD to be particularly worthy, innovative, or address an overarching local, regional, or statewide need. Such projects may be funded through the Reserves.

EXHIBIT 2

MUNICIPAL ELIGIBILITY TO APPLY TO COMMUNITY DEVELOPMENT FUND (CDF) I AND II IN FY 2014

A single community may receive no more than \$1 million from any combination of federal FY 2014 Community Development Fund I or II, or Mini-Entitlement grant funds. Awards not subject to the \$1 million cap per community include the Economic Development Fund and Reserves.

Additionally, a single community may receive no more than \$1.35 million from Community Development Fund I within two successive years. Economic Development Fund and Reserves awards are not subject to the \$1.35 million cap per community.

As a result, FY 2014 award limits apply to the following FY 2013 grantees, in the following amounts:

Adams - \$450,000	Oak Bluffs - \$847,142
Avon - \$945,500	Orange - \$700,000
Bourne - \$458,649	Palmer - \$919,101
Chester - \$608,528	Russell - \$836,987
Clinton - \$457,715	Salisbury - \$850,000
Dennis - \$888,988	Shelburne - \$979,175
Easthampton - \$450,000	Spencer - \$965,938
Edgartown - \$879,463	Templeton - \$811,728
Fairhaven - \$909,924	Tisbury - \$893,812
Methuen - \$550,000	Wales - \$450,000
Montague - \$923,594	Ware - \$961,144
North Brookfield - \$935,081	Winchendon - \$450,000

A Community Development Fund II community that receives an award from the Community Development Fund is precluded from applying to a Community Development Fund program for the following federal fiscal year, except that a community previously awarded funds solely for an architectural/engineering design or planning project may apply in the next federal fiscal year for funding to implement the project. However, the maximum grant award for implementation will be reduced by the amount of the previous design or planning grant.

DHCD has identified the following communities as ineligible applicants (except as noted) for Federal Fiscal Year 2014; each may apply again in the fiscal year noted in parentheses:

Agawam	(2015)	Middleborough	(2015)
Bellingham	(2015)	Norwood	(2015)
Bridgewater	(2015)	Shutesbury	(2015)
Conway	(2015)	Sunderland	(2015)
E. Longmeadow	(2015)	Westhampton	(2015)
Hopedale	(2015)	Williamsburg	(2015)

EXHIBIT 3

PROGRAM ELIGIBILITY AND COMMUNITY-WIDE NEEDS SCORES

FY 2014 is the last year covered by the Commonwealth's FY 2010 – 2014 Consolidated Plan. Soon after submission of the FY 2014 Annual Action Plan, DHCD will begin the process for development of another full Consolidated Plan for FY 2015 – 2019. As part of that process, a number of public information and review meetings and hearings will be conducted to review the goals and operating procedures of the State's U.S. Department of Housing and Urban Development (HUD)-funded programs, including the MA CDBG program. In addition, HUD has not released updated low- and moderate-income data at the community level from the 2010 Census.

For these reasons, DHCD has decided to continue use of the FY 2013 Community-Wide Need scores for the FY 2014 program year.

FY 2014 Community Wide Needs scores are available at:

<http://www.mass.gov/hed/community/funding/community-development-block-grant-cdbg.html>

DHCD will hold public sessions and a hearing to receive comments on the proposed FY 2014 One-Year Action Plan prior to its submission to the US Department of Housing and Urban Development (HUD). Times and locations will be distributed in the coming months. Interested parties should feel free to submit comments, in writing or via email, directly to DHCD any time prior to, or at the scheduled hearing. Comments may be directed to: Mark Siegenthaler, Community Development Manager, DHCD, 100 Cambridge St, Suite 300, Boston, MA 02114 or mark.siegenthaler@state.ma.us.